



## **WORK & LIVE COLLEGE PARK**

### **Program Description & Guidelines**

Administered by the College Park Housing Authority and the College Park City-University Partnership, the WORK & LIVE COLLEGE PARK program provides affordable home ownership opportunities for people working in College Park while minimizing the number of foreclosed homes in the area. Through this program, buyers may be eligible to receive 10% of the purchase price (up to \$35,000) in down payment and closing cost assistance towards a foreclosed home in College Park.

#### **I. PROGRAM FUNDING**

The WORK & LIVE COLLEGE PARK Program is made possible through a Neighborhood Conservation Initiative grant from Maryland's Department of Housing and Community Development. The State DHCD grant is funded by the Federal Neighborhood Stabilization Program (NSP). NSP was established under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) to provide emergency assistance to States and units of local governments for the purchase and redevelopment of abandoned and foreclosed homes.

Matching funds have also been contributed by the University of Maryland, the City of College Park, the College Park City-University Partnership, and the College Park Housing Authority.

#### **2. THE WORK & LIVE COLLEGE PARK LOAN**

##### ***Work & Live College Park Loan Amounts***

Under the Work & Live College Park program, the College Park Housing Authority and the College Park City-University Partnership will provide loans for closing costs and to meet the minimum down payment required to comply with the underwriting regulations governing the type of first trust loan approved to purchase the property. Buyers are eligible for up to 10% of the purchase price (not to exceed \$35,000).

##### ***Purchaser's Own Cash Requirement***

Purchaser's minimum contribution of own cash towards down payment, pre-pays, home inspections, and closing costs is \$2,000.

##### ***Loan Term***

The Work & Live College Park loan term is 10 years.

##### ***Interest Rate***

The interest rate will be 0%.

### ***Primary Residency Restrictions***

The prospective property must be the applicant's primary residence. Buyer must maintain the house as primary residence for a 10 year period. At closing of the Work & Live College Park loan, the borrower will be required to sign a regulatory agreement or declaration or covenant that will be recorded in the land records of Prince George's County.

### ***Repayment Requirements***

The Work & Live College Park loan will be a deferred payment loan, secured on the property as a second trust, with a balance due upon sale or transfer of the property, or if the property ceases to be the primary residence of the borrower. The amount due will be determined by length of time the purchaser complies with the 10 year residency restriction. If the purchaser sells, transfers, or moves from the property, they will pay back 10% of the loan for each year they fall short of the 10 years. Example: if the purchaser sells the house after five years, they will pay back 50% of the loan.

### ***Owner-Occupied Requirements***

If the purchaser sells or transfers the property within ten years of purchasing the home, they will be required to sell the home to buyers who will use the property as their primary residence. This will be documented in a covenant which will be recorded in the land records of Prince George's County.

## **3. APPLICANT ELIGIBILITY**

### ***Non-Discrimination***

Applications will be accepted with no discrimination as to race, color, religion, creed, national origin, sex, marital status, physical or mental disability or sexual orientation.

### ***Age***

Applicants must be 18 years of age or older.

### ***Employment***

Applicants (or spouse) must work at least 20 hours a week for an employer in College Park (including M Square).

### ***Owner-Occupied***

Applicants must agree to live in the home being purchased as their principal residence.

### ***Income***

Applicants must make less than 120% of Area Median Income, adjusted for family size.

	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
120% AMI	\$86,250	\$98,600	\$110,900	\$123,250	\$133,100	\$142,950	\$152,800	\$162,700

### ***Contribution***

Generally, applicants must contribute a minimum amount of \$2,000 cash towards the purchase of the home (see Purchaser's Own Cash Requirement below)

### ***Counseling***

Applicants must have attended an 8-hour, minimum, housing counseling class provided by a HUD Certified housing counseling agency and received a Certificate of Completion. Every member of the household who is going to be on the mortgage should obtain a Certificate of Completion prior to purchasing a home.

### ***Mortgage***

Applicants must not obtain or use any type of adjustable rate mortgages or subprime mortgage. All mortgages obtained in connection with any property assisted by an NSP grant shall be for a fixed rate for a minimum of thirty (30) years.

## **4. PROPERTY ELIGIBILITY**

### ***Definitions of Foreclosed Properties***

A property has been foreclosed upon when, under state or local law, the mortgage or tax foreclosure is complete and title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transferred in lieu of foreclosure, in accordance with state or local law. A short sale property would not meet the definition of a foreclosed upon property because they are typically used to prevent a foreclosure. As such, the title to the property remains in the hands of the homeowner until the sale is executed.

### ***Location***

The prospective property must be a vacant foreclosed upon property within the City of College Park portions of the 20740 zip code.

### ***Property Type***

The prospective property must be a vacant foreclosed upon residential structure including single family dwelling units, townhouses and condominiums.

### ***Purchase Price***

The purchase price of the prospective property must reflect a minimum 1% discount from the appraised value of property, determined by an appraisal completed within 60 days of the contract's final offer.

### ***Physical Standards***

The home to be purchased must meet minimum FHA Housing Standards as determined by the FHA Appraisal. Deficiencies identified in the FHA Appraisal must be corrected prior to closing and reflected in FHA Compliance Inspection Report (HUD -92051), or the costs of repairs escrowed by the lender, through mechanisms such as a 203k loan. In addition the buyer must procure a home inspection performed by a MD licensed Home Inspector. If first mortgage is not FHA insured, deficiencies identified by home inspection that are an eminent threat to life, health and safety, as determined by NSP staff must be corrected prior to settlement.